

**Written Testimony
By
John Malfettone
Donor and UConn Foundation Board member
UConn Foundation
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Co-Chairs, Ranking Members and Members of the Committee, thank you for the opportunity to comment on Senate Bill 440, An Act Requiring the Disclosure of Certain Records of the Foundation of the University of Connecticut.

My name is John Malfettone and I'm a Senior Managing Director and Chief Compliance Officer at Clayton, Dubilier & Rice – a private equity investment firm in New York City. My previous employment included executive positions at KPMG, GE and a stint as a public company CFO. I am a Connecticut resident, UConn alumnus, donor, and Foundation Board member, having served on the finance, audit and development committees. I have also held elected office in my hometown of Trumbull, so I have an appreciation for the importance of FOI disclosures and the requirement that you meet the demands of your constituencies.

I believe that the bill passed unanimously by the Higher Education Committee earlier this week accomplishes this. It contains all the provisions in Senate Bill 440, under consideration by the committee, and goes even further. From my perspective, it's a reasonable and responsible compromise that will provide the General Assembly with all the information it needs to oversee Foundation activity.

As an alumnus I care deeply about UConn's future. UConn gave me a tremendous education, lifelong friends and connections, and even my wife. It was the springboard that made me who I am today. My personal history is that I grew up in a modest apartment building in Mt.Vernon, NY. At the age of 16 years old, my family moved to our first home in Old Saybrook.

I was able to attend college due to the low cost of tuition at UConn, aided by scholarships and a student loan. I attribute a big part of my success in life to the education and network that I obtained in Storrs. It

is out of a sense of loyalty to the University that I am passionate about donating my time and money as a form of pay back for having enriched my life. I believe that UConn continues to serve a similar roll for tens of thousands of students every year.

UConn's excellence is finally getting noticed. Thanks in large part to the General Assembly's past support, UConn is recognized as a top-20 national public university. As a loyal Husky, I want UConn to continue its climb and become a top-10 school. To become complacent and rest on our current position will only result in a decline in excellence as other universities continue to strive to get better. The threat of severe state budget cuts won't make it easy, which is why this bill is so important.

I believe the section of the bill surrounding reporting and transparency can strengthen public confidence in the Foundation and ultimately increase donations. Alumni and friends of UConn need to see the impact philanthropy plays on campus. They must understand that the success of the Foundation is inexorably linked to the University itself. I'm pleased that the legislation builds on the reporting already required of the Foundation and makes it clear to legislators and members of the public that the Foundation will continue to be the most transparent non-profit organization in Connecticut. As a Chief Compliance Officer, I believe this kind of transparency is a core tenant in establishing trust in any relationship.

As a board member, CPA and an executive who has held leadership positions in several businesses, I can attest to the professionalism within the Foundation. We have an incredible board representing expertise from different functional areas and industries, such as finance, audit, investment, medical, marketing, human resources and general business management. The board is appropriately non-partisan and independent – from the university and state government. I'm pleased that the bill under consideration maintains the independence of the Foundation and does not treat it like another state agency. We have no political agenda and we only want what is best for the University, especially its students.

As someone who has made significant contributions to UConn, I can tell you that donors value the Foundation's independence. Specifically,

donors want to know that they can keep their personal financial information confidential. Philanthropy by its very nature involves giving from the heart and people don't want matters of the heart spread across social media. In today's ubiquitous information age, it is more important than ever to protect donor privacy.

Also important to donors, knowing that their donation will not be redirected by the state for a purpose it wasn't originally intended for, perhaps to fill a budget hole. We can only get better, or I might argue maintain our current status, by providing incremental financial support to the University so that it can continue to excel, grow and provide the best education possible for our students.

The Higher Education Committee's bill strikes the right balance. It identifies scholarship support as a priority – setting a 15-percent annual fundraising goal – but also allows donors to support other areas that they're passionate about as well. My wife and I are the perfect example; we've given to support scholarships and the School of Business but also donated to help build the Werth Family Champions Center. This new \$35 million dollar basketball practice facility is the only building on campus funded entirely by philanthropy. It's an integral part of the University's basketball program, which strengthens UConn's brand and fosters excitement and engagement across UConn nation. It probably would not exist if the Foundation was required to list the names of all donors or turn away donations that weren't designated for scholarships.

In conclusion, donors like myself play an important role in helping UConn and its students reach their potential. I believe adoption of Senate Bill 333, made better by members of this committee, would send a message to all donors that the General Assembly appreciates the support and shares the commitment. Thank you.